

Date: April 7, 2005

To: Chairman Randolph, and Commissioners Blair, Downey, Huguenin and Remy

From: Mark Krausse, Executive Director

This is a summary of administrative activity and other matters since the report sent to you prior to the last Commission meeting.

A. PERSONNEL & BUDGET

Steve Russo will be stepping down from his post as enforcement chief at the end of April. We've received a number of applications for the position from qualified candidates, and will be conducting examinations the week prior to the Commission meeting.

Budget subcommittee hearings have begun, and subcommittee staff has informed me that they see no issues with the Commission's budget necessitating testimony. This means that the subcommittees are planning no reductions to the Commission's funding beyond the \$95,000 cut in the Governor's budget.

B. STAFF PROJECTS

General Counsel Luisa Menchaca and Enforcement Counsel Natalie Bocanegra will participate in a panel regarding campaign issues at the State LULAC (League of United Latin American Citizens) Conference on May 14, 2005.

The Technical Assistance Division's Kevin Moen performed two workshops for new SEI filers added to the Department of Health Services' conflict-of-interest code. Teri Rindahl met with filers of the Port of San Diego. Two workshops were conducted for SEI filing officers: Jeanette Turvill traveled to Santa Cruz and Trish Mayer traveled to Santa Barbara.

The Public Education Unit's Jon Matthews has been working with the State Library in archiving past issues of the *FPPC Bulletin*, producing CD copies of the 2005 version of the Political Reform Act, and filling in for Media Director Sigrid Bathen as she prepares for her retirement.

C. APPROVAL OF CONFLICT OF INTEREST CODES/AMENDMENTS

Since the last Commission meeting, I have approved the following codes/amendments:

Alameda-Contra Costa Transit District
Fish and Game, State Department of
Golden State Risk Management Authority
Orange Line Development Authority
ED's Report

April 8, 2005

D. FINDINGS OF PROBABLE CAUSE

Pursuant to regulation 18361, I have found evidence in the following cases sufficient to lead a person of ordinary caution and prudence to believe or entertain a strong suspicion that the following respondents committed or caused a violation of the Political Reform Act. **This finding of probable cause does not constitute a finding that a violation has actually occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proved in a subsequent proceeding.**

In the Matter of Jeffrey Stone, Committee to Elect Jeff Stone--66th Assembly District, FPPC No. 02/1065. On March 22, 2005, probable cause was found to believe that Respondent Jeffrey Stone, an unsuccessful candidate for the 66th Assembly District of the California State Assembly, and his controlled committee failed to disclose the true source of an outstanding loan on an odd-year pre-election campaign statement, in violation of section 84211, subdivision (g) of the Government Code (1 count); falsely verified the accuracy of the odd-year pre-election campaign statement, in violation of section 84213, subdivision (g) of the Government Code (1 count), and failed to maintain detailed accounts, records, bills, and receipts that were necessary to prepare the odd-year pre-election campaign statement, in violation of section 84104 of the Government Code (1 count).

In the Matter of Lloyd Levine, Lloyd Levine for Assembly, Larry Levine, and Jennifer Levine, FPPC No. 04/651. On March 29, 2005, probable cause was found to believe that Respondent Lloyd Levine, a successful candidate for the California State Assembly in the March 2002 primary election, and his controlled committee accepted a loan in excess of the \$3,000 contribution limit, in violation of section 85301, subdivision (a) of the Government Code (1 count), failed to disclose the true source of the excessive contribution to the treasurer of the controlled committee, in violation of section 84302 of the Government Code (1 count), failed to disclose the true source of the excessive contribution on an electronic 24-hour campaign statement, in violation of section 85309, subdivision (a) of the Government Code (1 count), and failed to disclose the true source of the excessive contribution on three paper campaign statements, in violation of section 84211, subdivision (g) of the Government Code (3 counts). Probable cause was also found to believe that Respondents Larry and Jennifer Levine, the parents of Respondent Lloyd Levine, made a loan in excess of the \$3,000 contribution limit, in violation of section 85301, subdivision (a) of the Government Code (1 count), failed to disclose the excessive contribution on a paper major donor campaign statement, in violation of section 84200, subdivision (b) of the Government Code (1 count), and failed to disclose the excessive contribution on an electronic major donor campaign statement, in violation of section 84605, subdivision (a) of the Government Code (1 count).

E. REQUESTS FOR EXTENSION OF COMMITTEE TERMINATION

The following state candidate committees were granted extensions:

Hentschel, Noel Irwin (980051) Request for extension granted for a period of six months.